



NEW YORK STATE SENATOR

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Senate Republicans Call on Democrats to Provide More Information on Governor's Secret Mta Plan

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Payroll Tax Would Devastate Businesses, Local Governments and Others

New York State Senate Republican Leader Dean G. Skelos and members of the Senate Republican Conference today called on Democrats to provide more information about the Governor's secret MTA bailout plan prior to any vote in the State Legislature. Despite reports of a framework of an agreement, there is still no bill for legislators or the public to review.

"What we've seen from the Governor and his Democrat allies is a repeat of the closed-door, secretive process they embraced during this year's State Budget

deliberations. It's time for Democrats to come out from hiding and answer the public's questions about the agreement they have reportedly reached," Senator Skelos said.

According to Skelos, the \$1.5 billion payroll tax which is the centerpiece of the Democrat plan would devastate businesses, local governments, hospitals, not-for-profits and others within the 12-county MTA region. In addition, the Governor's complicated plan to reimburse school districts after they pay the payroll tax might never be realized since the Governor would still have the authority to cut school aid to make up the difference.

Due to the lack of information, Senator Skelos today posed the following questions to Governor Paterson and Democrats in the State Legislature that still haven't been answered:

> What exactly is being proposed? Lawmakers who will be required to vote on the plan have yet to even see a bill. At this time, no one knows who it impacts or how much it will cost.

> How is the Governor closing the MTA's additional \$600 million operating deficit that was announced last week?

> How will businesses, not-for-profits, school districts, and local governments who are already struggling be able to afford a new \$1.5 billion tax on top of the \$8.5 billion in taxes raised as part of the budget?

> How will local governments deal with yet another unfunded mandate from Albany? Didn't the Governor say he was committed to not placing new mandates on local governments?

> How will hospitals that were hard hit during the budget be able to pay this new tax? Will they be forced to turn away emergency room patients or close their doors as a result of this new tax?

> One of the justifications offered by Democrats for the payroll tax is declining revenue from the Real Estate Transfer tax. Shouldn't the payroll tax go away or be reduced proportionally if real estate revenues rebound?

> Why is the Governor talking about a \$60 million fix for public schools in the MTA region when this tax will cost them closer to \$100 million? What about the private, parochial and charter schools? Will they be forced to raise tuition to pay this new tax?

> The Governor can cut school aid year-to-year, what stops him from taking away these funds next year? Why not exempt the schools so they don't have to pay the tax in the first place?

> Is there or isn't there funding for an MTA capital plan in the proposal or are Democrats resorting to more taxes just to plug the MTA's operating deficit? There are conflicting reports as late as this morning between the Governor and Senate Democrats.

> If there are no capital funds in the plan, when will the Governor be ready to produce a capital plan for the MTA? How will it be financed? Higher fares? Service cuts? More taxes? What about Upstate and Long Island's road and bridge needs?

> How much are people going to pay as a result of the new fees on car registrations, driver's licenses and rental cars? Didn't Democrats already increase those fees as part of the budget?

> How will SUNY schools afford this new payroll tax? Will this mean another SUNY tuition increase?

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